

OURO FINO SAÚDE ANIMAL PARTICIPAÇÕES S.A.

Publicly-Held Company with Authorized Capital

CNPJ/MF nº 20.258.278/0001-70

NIRE 35.300.465.415

MATERIAL FACT

Merger of General Atlantic Ouro Fino Participações S.A.

OURO FINO SAÚDE ANIMAL PARTICIPAÇÕES S.A. (“**Company**” or “**OFSA**”), in compliance with article 157, paragraph 4, of Law No. 6.404, December 15, 1976, as amended (“**Brazilian Corporations Law**”), article 3 of the Instruction of the Brazilian Securities Commission (“**CVM**”) No. 565, June 15, 2015 (“**CVM Instruction 565**”) and with CVM Instruction No. 358, January 3, 2002, as amended (“**CVM Instruction 358**”), hereby informs its shareholders and the market in general that it will be submitted to the Company’s shareholders in Extraordinary General Shareholders Meeting to be duly called by the Company, the incorporation, by the Company, of its shareholder General Atlantic Ouro Fino Participações S.A. (“**GAOF**” and “**Merger**”, respectively).

1 COMPANIES INVOLVED IN THE OPERATION AND ITS ACTIVITIES

About OFSA

OFSA is a publicly-held company, with head office in the city of Cravinhos, State of São Paulo, at Rodovia Anhanguera, SP 330, KM 298, Block C, 2nd floor, Room CCS 210, Distrito Industrial, zip code 14140-000, enrolled with the Federal Taxpayers Registry (“**CNPJ/MF**”) under No. 20.258.278/0001-70 and with the commercial registry of São Paulo (*Junta Comercial do Estado de São Paulo*) (“**JUCESP**”) under the NIRE 35.300.465.415.

The Company itself and its subsidiaries, conduct the activities of (i) fabrication and commercialization, in the national market, of medicines, vaccines and other veterinary products for use in production animals, including, substantially, cows, horses, poultry and pigs (“**Production Animals**”); (ii) fabrication and commercialization, in the national market, of medicines and other veterinary products for use in company animals, including dogs and cats (“**Company Animals**”); and (iii) exportation of products from Production Animals and Company Animals sectors.

About GAOF

GAOF is a closely-held company, with head office in the city São Paulo, State of São Paulo, at Rua Doutor Renato Paes de Barros, 1017, 15th floor – part, Itaim Bibi, zip code 04530-001, enrolled with the CNPJ/MF under No. 20.512.120/0001-85 and with the JUCESP under NIRE 35.300.466.861.

GAOF main objective is the participation in other companies, including the investment in the Company, consisting in 9.138.407 (nine millions, one hundred and thirty eight thousand, four hundred and seven) common shares, with no par value, issued by the Company, representing, in this date, 16,94% (sixteen comma ninety four per cent) of the Company's total corporate capital.

2 DESCRIPTION AND PURPOSE OF THE OPERATION

The operation consists in the merger, in accordance with article 227 of Brazilian Corporations Law, by the Company, of GAOF, shareholder of the Company owner, in this Material Fact date, of approximately 16,94% (sixteen comma ninety four per cent) of the Company's total corporate capital.

The operation will result in the merger by the Company, of the totality of the assets and liabilities of GAOF, which includes the GAOF participation in the Company's corporate capital, consisting in 9.138.407 9.138.407 (nine millions, one hundred and thirty eight thousand, four hundred and seven) common shares, with no par value, issued by the Company.

The Merger will not result in a Company's capital increase and will be performed only by the transfer of the totality of shares mentioned above, owned by GAOF, to G.A. Brasil VII Fundo de Investimento em Participações ("**GA FIP**"), which, owns 100% (one hundred per cent) of GAOF's corporate capital.

As a result of the Merger, GAOF will be extinct and succeeded by the Company in all its rights and obligations, in accordance with article 227 of Brazilian Corporations Law.

In case of approval, as described in the respective Protocol and Justification of the Merger (*Protocolo e Justificação da Incorporação*), the Merger shall take effect on August 31, 2016.

3 MAIN BENEFITS, COSTS AND RISKS OF THE OPERATION

Main Benefits. The Merger aims to simplify the shareholding structure and reduce the administrative activities and accessory obligations in the GAOF shareholders level, which will become direct shareholders of the Company after the conclusion of the Merger.

The Company's administration understands that the Merger will benefit all the Company's shareholders, regardless of type or class, considering that, since there will be no capital increase, no dilution of the actual participation owned by the shareholders in the Company's corporate capital will take place.

Costs. There are no relevant costs involved in the Merger.

Risks. There are no risk factors involved in the Merger.

4 SHARES EXCHANGE RATIO AND CRITERIA FOR FIXATION OF EXCHANGE RATIO

The Merger will not result in a Company's capital increase, and, therefore, there is no necessity of setting any exchange ratio between Company's shares and GAOF's shares. Furthermore, no modification in the Company's corporate capital composition will take place, and also there will not be any amendment to its By-Laws.

5 SUBMISSION OF THE OPERATION TO BRAZILIAN AND FOREIGN AUTHORITIES

The Merger does not depend of the submission to, or approval of, any Brazilian or foreign authorities.

6 EXCHANGE RATIO OF SHARES CALCULATED ACCORDING TO ARTICLE 264 OF THE BRAZILIAN CORPORATIONS LAW

Considering that, in the context of the Merger, there is no exchange ratio of shares or interests of minority shareholders from GAOF to be protected and that the Company is merging its shareholder GAOF, owner of 9.138.407 (nine millions, one hundred and thirty eight thousand, four hundred and seven) common shares, with no par value, issued by the Company, representing approximately 16,94% (sixteen comma ninety four per cent) of the Company's total corporate capital, the Company informs that the report requested by article 264 of the Brazilian Corporations Law will not be presented. The report provided by article 264 of the Brazilian Corporations Law would only have informational value.

7 APLICABILITY OF THE RIGHT TO WITHDRAWAL AND REFUND VALUE

There is no right to withdrawal to the Company's shareholders in the context of the Merger, as the applicable law limits such right to the shareholders of the merged (*i.e.* GAOF). Considering that, in the date of the extraordinary general shareholders meeting of GAOF approving the Merger, GA FIP will be the only shareholder of GAOF, there will be no dissent shareholder or right to withdrawal and, as a consequence, no refund value of GAOF's shareholders arising out of the Merger.

8 OTHER RELEVANT INFORMATION

8.1 Appraisal Report

The appraisal report considering the book value of the net worth of GAOF, based in June 30, 2016, to be incorporated by the Company ("**Appraisal Report**"), according to article 226 of the Brazilian Corporations Law, was prepared by the following experts hired by the Company's administration: José Ferreira da Silva, Ricardo Matsubara e Ricardo Fraccaroli de Almeida. According to the applicable corporate law, the hiring of the experts shall be confirmed by the shareholders of the Company and GAOF.

8.2 Other information

The Merger is subject to the applicable corporate approvals and shall become effective on August 31, 2016, if approved.

In accordance with article 3 of CVM Instruction 565 and CVM Instruction No. 481, December 17, 2009, as amended ("**CVM Instruction 481**"), the list of necessary documents to the exercise of the vote in the extraordinary general shareholders meeting of approving of the Merger will be at the Company's shareholders disposal from the date of calling of the referred general meeting that will approve the Merger, in the Company's head office and in the Company's website (ri.ourofino.com) of CVM (www.cvm.gov.br) and of BM&FBOVESPA (www.bmfbovespa.com.br), and can be consulted by the Company's shareholders, according to the applicable regulation.

The Company's administration will maintain its shareholders informed upon the development of the Merger object of this material fact, including from the information requested according to the CVM Instruction 565, CVM Instruction 481 and other applicable laws.

For additional clarifications, please get in touch with the Company's Investor Relations Board.

São Paulo, August 15, 2016.

Kleber Cesar Silveira Gomes
Investor Relations Officer
Ouro Fino Saúde Animal Participações S.A.